

# Brief description of the Development Strategy of the Russian Railways Group until 2030

## Strategic goals

The Russian Railways Group's mission aims to achieve the following strategic goals by 2030:

---

**1** To maintain leading positions in freight railway transportation in Europe, enhance the attractiveness of railway transportation for customers and increase freight shipments by 500–800 mln tonnes by 2030

---

---

**2** To improve the customer satisfaction level by enhancing the quality of services while maintaining competitive transportation costs

---

---

**3** To become one of the top five companies in Europe in terms of logistics business volume and increase the proportion of transportation and logistics services in the Group's business portfolio to 25%

---

---

**4** To provide efficient servicing for the global supply chains of major Russian and international customers and expand the transportation and logistics business on the Eurasian space

---

---

**5** To maintain the existing proportion of passenger turnover via the Russian transportation system and increase suburban passenger turnover by 1.8–2.2 times and long-haul and interregional turnover by 1.3–1.7 times by 2030

---

---

**6** To implement projects for the development of rapid-transit and high-speed transportation and ensure transportation at the new speed level makes up 20% of overall passenger turnover by 2030

---

**7**

---

To become a top ten global company in terms of infrastructure construction and ensure the creation of a long-term order portfolio and the highest level of project implementation

---

---

**10**

---

To prioritise 'green' technologies and ensure a 50% reduction in the environmental burden

---

---

**8**

---

To retain leading positions throughout the world as regards efficiency, safety and the quality of infrastructure services

---

---

**11**

---

To become one of the top five most attractive employers among major Russian companies and recruit the best specialists to work at the Group while guaranteeing a competitive salary, increased productivity, improved labour conditions and a modern social package

---

---

**9**

---

To ensure the systematic upgrading of assets using innovative technologies and solutions based on the efficient management of the life cycle cost as well as the readiness and reliability of fixed assets

---

---

**12**

---

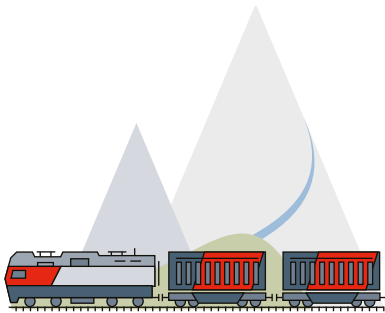
To consistently optimise the Group's business portfolio in accordance with the chosen strategy, focus on the core and most effective types of business and ensure sustainable synergy among the Group's different components

---

---

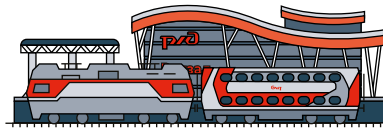
## Target business model

The target business model ensures the balanced and interdependent development of the Russian Railways Group based on five key units:



### Transportation and Logistics Business Unit

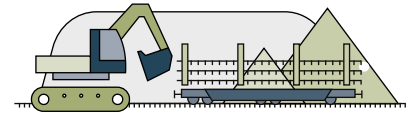
A strategic priority for the development of this business unit is to establish a diversified product basket for the Russian Railways Group with a transition from providing mostly transportation services to providing freight owners with complex integrated door-to-door services with a subsequent expansion in the spectrum from 2PL to 3PL and 4PL services and the formation of global logistics chains.



### Passenger Transportation

A strategic priority for this business unit is to expand the range of advanced transportation services offered to customers by accelerating and increasing multimodal transportation and improving the quality of traditional services in trains and areas related to transportation.

One of the key objectives is to expand the operating domain of rapid-transit and high-speed transportation between the country's largest metropolitan areas on the basis of modern efficient solutions.

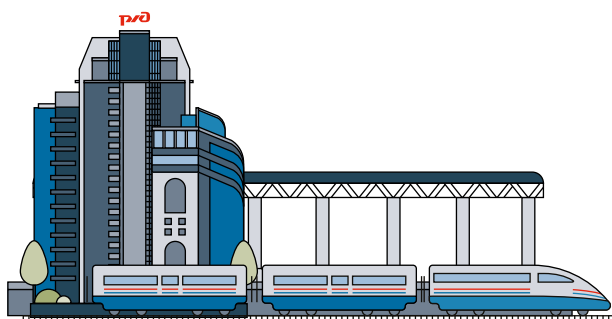


### International Engineering and Transportation Construction

A strategic priority for this business unit is to consolidate and expand the Group's presence on the international railway engineering and transportation construction market and lay the groundwork to expand the Group's other businesses on the markets where it operates as a contractor for the construction of infrastructure facilities.

The Company plans to actively develop this unit based on the Group's unique skills in designing and building railway transportation facilities, establishing complex infrastructure and transportation management systems, organising traffic and managing railway economics and finances.

## Development Strategy of the Russian Railways Group

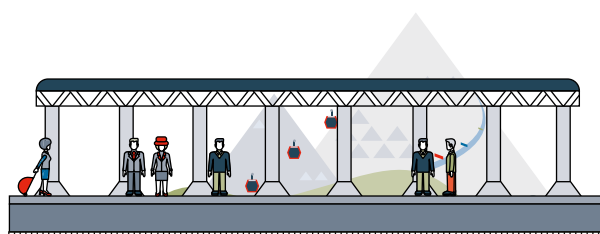


### Railway Transportation and Infrastructure

The strategic priorities for the development of infrastructure are dictated by its status as a natural monopoly and include reducing infrastructure costs, broadening opportunities to create new transportation (freight and passenger) and logistics products (speed, reliability of infrastructure services, increasing carrying capacity), modernising the network and building profitable additional mainlines for growing transportation volumes.

One of the specific features of developing the business unit is to retain its public services and government regulation as a natural monopoly as well as equal accessibility for consumers.

The Infrastructure Unit not only includes infrastructure, but traffic management systems and as well as traction operation and repair systems.



### Social Unit

The Russian Railways Group's Development Strategy is based on an understanding of the importance of the Group's team as a key asset that is capable of ensuring long-term development goals and the perception of the Group's social sphere as a significant competitive advantage.

To this end, the Company develops the Social Unit based on an objective assessment of the added value created from social support to employees and the effective use of the unit's assets to provide market services. The Group's social and public policy pursued outside of the workforce is an integral component of this unit.